

Forbes by the Numbers

For more than a decade Connecticut has topped the nation in per capita income, but how does the state stack up when it comes to the really rich? Last month, *Forbes* published its 1999 list of the 400 richest Americans based on net worth. By totaling the *Forbes* members from each state and dividing by that state's total population, we can determine a population-adjusted measure of *Forbes* elite by state. Based on that measure, Connecticut tied with Virginia for sixth in the nation, with 2.1 *Forbes* members per million population.

Five of the seven *Forbes*-certified Connecticut residents live in Greenwich; the other two, Stamford. Connecticut's youngest member, 43-year-old Jay Walker of Priceline.com, is also the state's richest, worth \$4.2 billion. Lou Gerstner, head of IBM, is the state's poorest *Forbes* member, worth a mere \$640 million. Six of the seven struck gold in high-tech fields. Leona Helmsley, the exception, panned in real estate and hotels; at 79, she is also the oldest. Placing seven state residents on the *Forbes* list may seem unimpressive, but a dozen states have only one listing and five have none.

Washington State outpaced the nation, with 3.6 *Forbes* members per million population. Half made their fortunes at Microsoft, a company whose presence helped boost incomes in Washington State during the 1990s. A decade ago, Washington's per capita income was below the national average. By 1998, its per capita income moved to tenth in the nation, \$1,600 above the national average. Colorado ranks second on the *Forbes* list, as home to the Coors family and four cable-TV founders. California ranks third, based largely on the newly minted billionaires of Silicon Valley. New York ranks fourth, based on wealth from media and high finance. Arkansas, home to the Waltons (Wal-Mart), ranks fifth. But the Walton wealth has missed the rest of the state, as Arkansas ranks only 46th in per capita income.

State's Flat Population Belies Demographic Shifts

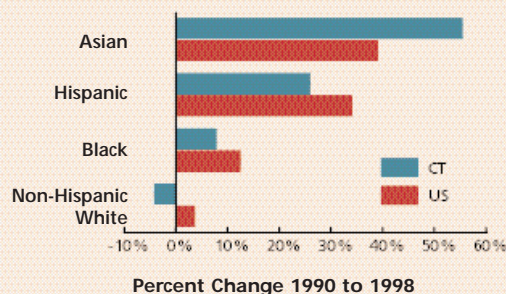
As you know, Connecticut's population has remained relatively constant during the decade, declining by seven thousand people, or 0.2%, between 1990 and 1998. But you may have missed the substantial

changes among racial and ethnic groups. For example, Connecticut's black population increased by 22 thousand, or 7.7%. Hispanics grew by 55 thousand, or 25.9%; and Asians gained 29 thousand, or 55.4%.

Thus, even though the overall population declined slightly, minority groups increased by an estimated 106 thousand people. This growth, however, was more than offset by a drop in the non-Hispanic white population of 113 thousand, or 4.1%. The chart below compares the percent change by group in Connecticut and the nation. Nationally, the black population grew 12.4%, Hispanics 34%, Asians 39%, and non-Hispanic whites 3.6%. Only the growth rate for Connecticut's Asians exceeded the nation's.

How significant is each minority group as a percentage of Connecticut's population? Blacks made up 9.3% of Connecticut's population in 1998, ranking

Growth in Minority Groups Offsets Connecticut's Drop in Non-Hispanic Whites



Source: Developed by *The Connecticut Economy* based on population estimates from the U.S. Census Bureau. Asians include Pacific Islanders.

the state 22nd among the fifty states in blacks as a percentage of the population. Hispanics made up 8.2% of the state's population, ranking the state 11th in the nation. And Asians made up 2.5% of the state's population, ranking Connecticut 17th nationally. In only eight states do each of the three minority groups rank in the top half nationally—Connecticut, Florida, Illinois, Nevada, New Jersey, New York, Texas, and Virginia. Thus, Connecticut is more of a melting pot than all but a handful of states.

Another way to measure population changes is by tracking births, deaths, and net migration. Subtracting the 239 thousand Connecticut deaths during the 1990s from the 381 thousand births yields a natural growth of 142 thousand people. But Connecticut also lost 149 thousand people through net migration, reducing the overall population by seven thousand.

We get a better feel for Connecticut migration during the period by distinguishing between domestic migration and

international migration. Net domestic migration, which is migration between Connecticut and other states, resulted in an estimated loss of 217 thousand Connecticut residents between 1990 and 1998. But net international migration, migration to and from foreign countries (plus Puerto Rico), produced a net gain of 68 thousand people, or 2.1% of the population (nationally, net international migration added 2.7% to the population).

Jobs and Employment

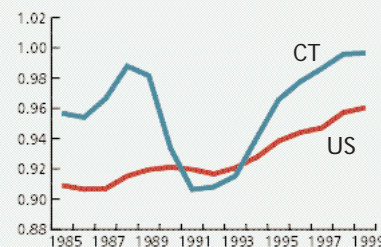
As our faithful readers know, there are two estimates of the work force: jobs and employment. The job estimate is based on a monthly survey of about 5,000 Connecticut employers. The employment estimate is based on a monthly survey of about 500 Connecticut households. Because the employment sample is only one tenth the size of the job sample, job estimates are considered more reliable, and they get the most attention.

The household survey captures some workers missed in the employer survey such as the self-employed, domestic workers, and those working out of state. But the employer survey captures some filled positions missed in the household survey such as jobs held by multiple jobholders and jobs held by workers less than 16 years of age.

Although jobs and employment are, to some extent, apples and oranges, we can learn more about the economy by tracing the relation

between the two measures over time. The accompanying figure shows the yearly ratio of jobs to employment since 1985 for Connecticut and for the nation. For example, a figure of 0.90 indicates there were nine filled jobs for every 10 employed people. As you can see, Connecticut's jobs-to-employment ratio has fluctuated more than the nation's, but it has also been above the national ratio every year except during the early 1990s. The state's ratio of 1.00 in 1999 is above the national average

Ratio of Jobs to Employment Has Fluctuated More Here than in U.S.



Source: Developed by *The Connecticut Economy* based on annual estimates from the Connecticut and U.S. Departments of Labor.

of 0.96 and the highest recorded in the state in at least two decades.

Connecticut's climbing ratio in recent years reflects the fact that jobs have returned to the Connecticut economy much more quickly than has employment. Whereas Connecticut has regained over 149 thousand jobs since the bottom job year of 1992, employment did not bottom out until 1995 and the state economy has added back fewer than 60 thousand employed workers since then.

How can job growth outpace employment growth? Someone who was self-employed can take a job, thereby leaving employment unchanged but increasing the state's job total. Someone who already has a job can take a second job, again leaving employment unchanged but increasing the job total. A 15-year old can take a job bagging groceries (although 14- and 15-year olds can legally work part time, they are not considered part of the labor force and are not counted in the employment total but are counted in the job total). Or someone who commutes to a job out of state can take a job closer to home. Such possibilities are more likely to occur in Connecticut's tight labor market. Because the state's labor force has grown little in recent years, Connecticut employers must dip deeper and deeper into the labor pool to find workers. Incidentally, although Connecticut's jobs-to-employment ratio of 1.00 is higher than the national average, it is not the highest around. Massachusetts is at 1.01.



INDEX OF ECONOMIC INDICATORS

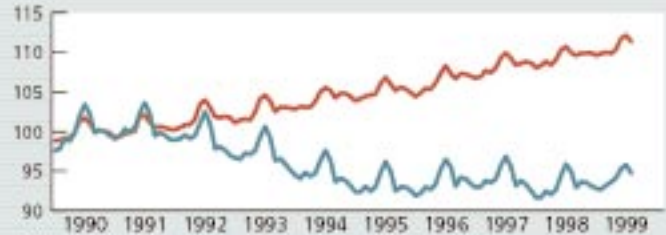
Job Totals

(not seasonally adjusted)



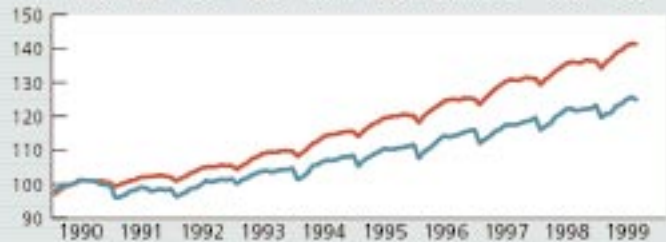
Labor Force

(not seasonally adjusted)



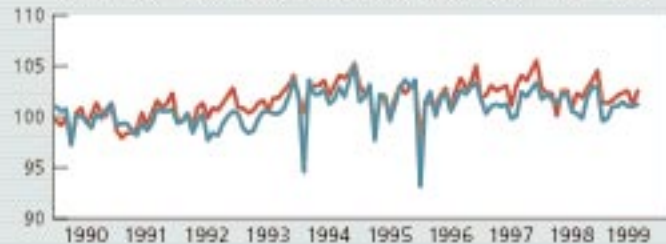
Service Jobs

(not seasonally adjusted)



Weekly Manufacturing Hours

(not seasonally adjusted)



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Connecticut Travel and Tourism Index

The overall index increased 1.8% in the third quarter compared to the same quarter the year before. The index consists of hotel-motel revenues, hotel-motel occupancy rates, attendance at six major tourist attractions, and traffic on five tourist roads.

Hotel/Motel Rev.	H	6.2%
Occupancy Rate	P	2.4%
Attendance	H	1.0%
Traffic	H	2.2%
Overall	H	1.8%

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